

Message Text

UNCLASSIFIED

PAGE 01 STATE 066330

15

ORIGIN TRSE-00

INFO OCT-01 EUR-25 ISO-00 EB-11 AID-20 CEA-02 CIAE-00

COME-00 EA-11 FRB-02 INR-10 IO-14 NEA-10 NSAE-00

RSC-01 OPIC-12 SP-03 CIEP-02 LAB-06 SIL-01 SWF-02

OMB-01 NSC-07 SS-20 STR-08 L-03 FEA-02 /174 R

DRAFTED BY TREASURY:RANDERSON

APPROVED BY EUR/RPE:MHLEVINE

TREASURY:RKORP

TREASURY:WMCCAMEY

TREASURY:RGOODMAN

FED:BNORWOOD (SUBS)

EB/IFD/OIA:MKENNEDY (DRAFT)

EUR/RPE:FKINNELLY

COMMERCE:RENSLOW (SUBS)

----- 060414

R 022308Z APR 74

FM SECSTATE WASHDC

TO USMISSION OECD PARIS

UNCLAS STATE 066330

E.O. 11652: N/A

TAGS: EFIN, OECD, US

SUBJECT: REMOVAL OF U.S. DEROGATION TO OECD CAPITAL
MOVEMENTS CODE

REF: OECD 5300, 6795

1. REQUEST MISSION INFORM SECRETARIAT OF U.S. DESIRE TO
REMOVE DEROGATION TO ARTICLE 7(C) OF CMC. SUGGESTED TEXT
OF LETTER TO SECGEN FOLLOWS:

2. BEGIN TEXT: I AM PLEASED TO INFORM YOU THAT IN VIEW
OF USG ANNOUNCEMENT ON JANUARY 29, 1974 THAT TERMINATED THE
RESTRICTIONS ON FOREIGN DIRECT INVESTMENTS OF U.S.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 066330

COMPANIES AND INDIVIDUALS, THE UNITED STATES AUTHORITIES

NO LONGER WISH TO INVOKE THE DEROGATION CLAUSE OF ARTICLE 7(C) OF THE CODE OF LIBERALIZATION OF CAPITAL MOVEMENTS. THE RESTRICTIONS IN QUESTION FORMED PART OF A WIDE RANGING BALANCE-OF-PAYMENTS PROGRAM ANNOUNCED BY THE UNITED STATES ON JANUARY 1, 1968. THE ORGANIZATION WAS NOTIFIED OF THESE MEASURES IN A LETTER TO THE SECRETARY GENERAL FROM THE PERMANENT REPRESENTATIVE OF THE UNITED STATES, DATED JANUARY 29, 1968.

3. AT THE SAME TIME AS THE RESTRICTIONS ON FOREIGN DIRECT INVESTMENTS WERE LIFTED, OTHER SPECIAL RESTRAINTS ON OUTFLOWS FROM THE UNITED STATES WERE ALSO REMOVED. THESE

SPECIAL RESTRAINTS HAD BEEN INTRODUCED AS TEMPORARY MEASURES AT VARIOUS TIMES BEGINNING IN 1963. THE U.S. BELIEVES THAT THIS ACTION TAKES ON ADDED SIGNIFICANCE IN THE CONTEXT OF THE PRESENT SITUATION, IN WHICH THE REMOVAL OF IMPEDIMENTS TO CAPITAL FLOWS CAN BE HELPFUL IN ALLEVIATING BALANCE OF PAYMENTS DIFFICULTIES ASSOCIATED WITH THE RISE IN OIL PRICES.

4. THE OFFICIAL ANNOUNCEMENTS TERMINATING THE UNITED STATES FOREIGN DIRECT INVESTMENT RESTRICTIONS, AS THEY APPEARED IN THE FEBRUARY 8, 1974, ISSUE OF THE FEDERAL REGISTER HAVE PREVIOUSLY BEEN MADE AVAILABLE TO THE SECRETARIAT OF THE ORGANIZATION. END TEXT.

5. FYI: NO POLICY DECISION HAS YET BEEN MADE REGARDING THE TERMINATION OF THE EXECUTIVE ORDER WHICH AUTHORIZED THE FOREIGN DIRECT INVESTMENT PROGRAM. END FYI. RUSH

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, INVESTMENT LAW, INVESTMENT CONTROLS, AMENDMENTS, CAPITAL FLOWS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE066330
Document Source: CORE
Document Unique ID: 00
Drafter: RANDERSON
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740074-0378
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740473/aaaacozk.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: OECD 5300, 6795
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 17 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 JUN 2002 by bryansd0>; APPROVED <16 DEC 2002 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REMOVAL OF U.S. DEROGATION TO OECD CAPITAL MOVEMENTS CODE
TAGS: EFIN, US, OECD
To: OECD PARIS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005